

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Roseville
Telephone Company (U 1015 C) to review its
New Regulatory Framework.

Application 99-03-025
(Filed March 8, 1999)

**ADMINISTRATIVE LAW JUDGE'S RULING
CONFIRMING THE SCOPE AND SCHEDULE OF THE PROCEEDING**

This ruling confirms the scope and schedule for addressing SureWest Telephone's (SureWest) May 3, 2002 Petition for Modification of Decision (D.) 01-06-077, following the March 16, 2004 prehearing conference (PHC) and after consultation with Assigned Commissioner Lynch's office.

During the PHC, SureWest stated that, given the Assigned Commissioner's "willingness to entertain" the inclusion of the reverse taper approach issue with SureWest's request to eliminate the 50-50 sharing band, it would like to broaden the scope of this proceeding to add the issue of the complete elimination of sharing. The Office of Ratepayer Advocates (ORA) objected to the proposal, describing it as "not being a new issue but the subject of . . . [SureWest's] next [New Regulatory Framework] review."¹ The Utility Reform Network, characterizing the proposal as "an entirely new issue in this proceeding,"² also objected. As I suspected and Commissioner Lynch's office confirmed, the commitment to have this matter promptly heard and addressed did not involve

¹ Reporter's Transcript at 82-83, lines (ll.) 27-28 and 1.

² *Id.* at 84, ll. 12-13.

expanding the scope of SureWest's request. Even allowing for modification of the schedule, which is discussed below, we are most apt to proceed with, and conclude this case in a timely fashion if we focus solely on the specific issues set forth in the Assigned Commissioner's Ruling. Thus, SureWest's proposal to expand its petition to modify D.01-06-077 to include the complete elimination of sharing is denied.

At the PHC, the parties agreed to an accelerated schedule so that a proposed decision could be issued at the end of August. On March 19, 2004, SureWest asked the Commission's Executive Director for a three-week extension to file its April 1, 2004 shareable earnings advice letter. ORA opposed the request in a March 24, 2004 letter to the Executive Director, arguing that such an extension would harm its ability to fully present its case. By letter March 29, 2004, ORA proposed that the schedule in this proceeding be modified if SureWest received the advice letter extension. On April 1, SureWest opposed ORA's modified schedule proposal, and stated that the Executive Director had granted it the three-week extension. After agreeing with SureWest upon a mutually acceptable modification of the schedule, ORA moved on April 7, 2004, to adjust the procedural schedule.

ORA maintains that the earlier accelerated schedule, given the shareable earnings advice letter extension, compromises its abilities to investigate and verify SureWest's earnings and assess the potential impact of the instant petition on ratepayers. SureWest contends that the three-week delay in receiving the advice letter should not impede ORA's case. Notwithstanding, SureWest was willing to agree to a modified procedural schedule that also allotted it some additional time to submit its testimony.

I will adjust the schedule as agreed upon, and set forth below:

<u>Date</u>	<u>Action</u>
May 3, 2004	SureWest submits testimony and supporting documentation
June 18, 2004	ORA and Intervenors submit testimony
July 9, 2004	SureWest's rebuttal testimony
July 20—July 22, 2004	Evidentiary Hearings
August 11, 2004	Opening Briefs
August 20, 2004	Reply Briefs
September 27, 2004	Proposed Decision Mailed

IT IS RULED that:

1. The focus of this proceeding is the issues designated in the March 5, 2004 Assigned Commissioner's Ruling. Consequently, SureWest Telephone's proposal to expand its petition to modify Decision 01-06-077 to include the complete elimination of sharing is denied.
2. The procedural schedule is adjusted, pursuant to the parties' agreement, as set forth in this ruling.

Dated April 12, 2004, at San Francisco, California.

/s/ JACQUELINE A. REED

Jacqueline A. Reed
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Confirming the Scope and Schedule of the Proceeding on all parties of record in this proceeding or their attorneys of record.

Dated April 12, 2004, at San Francisco, California.

/s/ KE HUANG

Ke Huang

N O T I C E

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